

106TH CONGRESS
2D SESSION

H. R. 4351

To amend title 17, United States Code, to preserve efficient low-cost commercial financing of enterprises based upon the security of their copyrights and copyrightable assets by confirming that a security interest perfected therein through traditional, practical, and appropriate means will prevail over lien creditors.

IN THE HOUSE OF REPRESENTATIVES

MAY 2, 2000

Mr. GEKAS (for himself and Mr. BOUCHER) introduced the following bill;
which was referred to the Committee on the Judiciary

A BILL

To amend title 17, United States Code, to preserve efficient low-cost commercial financing of enterprises based upon the security of their copyrights and copyrightable assets by confirming that a security interest perfected therein through traditional, practical, and appropriate means will prevail over lien creditors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Security Interests in
5 Copyrights Financing Preservation Act”.

1 **SEC. 2. AMENDMENTS TO TITLE 17, UNITED STATES CODE.**

2 (a) DEFINITION OF LIEN CREDITOR.—Section 101
3 of title 17, United States Code, is amended by inserting
4 after the definition of “joint works” the following:

5 “A ‘lien creditor’ is a creditor who has acquired
6 a lien on a copyright or the proceeds of a copyright
7 by attachment, levy, or similar means, and include
8 an assignee for benefit of creditors from the time of
9 assignment, a trustee in bankruptcy from the date
10 of the filing of the petition, and a receiver in equity
11 from the time of appointment.”.

12 (b) RELATIONSHIP TO OTHER LAW OF SECURITY IN-
13 TERESTS.—Section 205 of title 17, United States Code,
14 is amended by adding at the end the following new sub-
15 section:

16 “(f) ALTERNATE SECURITY INTEREST PERFECTION
17 AS AGAINST COMPETING LIEN CREDITORS.—(1) This
18 title is not intended to preempt the Uniform Commercial
19 Code with respect to the perfection of a security interest
20 in a copyright or the proceeds of a copyright. A security
21 interest in a copyright or the proceeds of a copyright may
22 be perfected under either the Uniform Commercial Code
23 or this title.

24 “(2) The priority of a security interest in a copyright
25 or the proceeds of a copyright as against a competing lien
26 obtained by a lien creditor upon the same copyright or

1 proceeds, and the rights of such security interest holder
2 as against such competing lien creditor are determined by
3 applicable law other than this title.

4 “(3) The rights of a transferee of an interest in a
5 copyright or the proceeds of a copyright, other than a lien
6 creditor, shall prevail over the conflicting rights of the
7 transferee of a security interest in such copyright, unless
8 the security interest is perfected under this title.”.

9 **SEC. 3. EFFECTIVE DATE.**

10 The amendments made by this Act shall take effect
11 on the date of the enactment of this Act.

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